

TONOPAH DIVIDE REPORT FROM DECEMBER 31, 1919, TO DECEMBER 31, 1921, FRAUGHT WITH GREAT PROSPERITY

REPORT OF THE PRESIDENT

TO THE STOCKHOLDERS OF THE TONOPAH DIVIDE MINING COMPANY:
Following are reports of the officers of the company covering the period from December 31, 1919, to December 31, 1921. Owing to a change in the management of your property on June 1, 1920, there was no report made, prior to this date, for the year 1920.

Actual mine operations ceased on April 15, 1921, due to a walkout of all classes of mine labor on that date, and work was not resumed until July 20th, 1921.

The deepest lateral work, which is on the 1000-foot level, has proven the vein to be more persistent than on the upper levels, it is therefore the intention of your management to rush the sinking of the shaft until it reaches water level in order to reach the sulphide zone.

There has been no change in the area of the company's mineral holdings since the last report. All the claims, aggregating approximately 160 acres, are held by the company under U. S. Letters Patent.

Your management desires to express its appreciation of the faithful and zealous work of the staff during the period under review, when conditions were extraordinarily trying.

By order of the Board of Directors,

H. C. BROUGHNER, President.

REPORT OF SUPERINTENDENT

TO THE PRESIDENT AND BOARD OF DIRECTORS, TONOPAH DIVIDE MINING COMPANY.
Gentlemen:—I beg to submit the following report on the operations of the Divide mine for the period January 1, 1920, (the date of the last report), to December 31, 1921:

DEVELOPMENT

During the period from January 1, 1920, to December 31, 1921, development work totaling 10,218 feet has been completed in the vicinity of workings connected with the main Tonopah Divide shaft. This makes a total of 17,796 feet of development work completed to date along the main vein zone, not including some 3000 feet of old workings run in former years upon the so-called "Gold Veins" near the summit of Gold Mountain.

A detailed statement of the development work accomplished during 1920, and 1921 during which year operations were closed down about three months on account of the walkout of all classes of mine labor, together with the cost per foot for the various types of work performed, follows:

	Ft. Advanced During Yr. 1920	Cost Per Foot	Total Ft. To Date
Shaft	373.8	\$33.43	1,018.8
Crosscuts and Drifts	5,793.7	9.99	11,662.7
Raises	681.3	11.26	1,745.3
TOTAL	6,848.8	\$11.39	14,426.8

	Ft. Advanced During Yr. 1921	Cost Per Foot	Total Ft. To Date
Shaft	210.0	\$31.16	1,229.0
Crosscuts and Drifts	2,313.0	9.40	13,976.0
Raises	830.0	9.39	2,575.0
Winzes	16.0	11.97	16.0
TOTAL	3,369.0	\$10.71	17,396.0

The amount of development work completed to date upon the various levels is as follows:

Level	Crosscuts	Drifts	Raises	Winzes
165	598	859	562	—
265	1,029	1,314	539	—
370	1,518	2,106	544	—
480	540	1,050	388	—
585	1,287	1,295	206	—
800	533	749	101	16
1000	348	686	211	—
1100	73	—	—	—
1200	94	—	—	—
TOTAL	6,940	7,959	2,552	16

All of the above development work has been devoted to the exploration of the main mineralized zone which has a nearly vertical attitude and crosses the property in a northwest-southeast direction. This highly altered and leached zone which in places exceeds 100 feet in width carries some values throughout but the higher grade shipping and milling ores occur as irregular chimneylike ore shoots or lenticular masses within the broad altered belt which carries low values.

As indicated by the development to date, the principal ore shoots so far developed appear to be nearly vertical although they may pitch slightly to the east above the 265 level.

Strong cross fractures and sheeted zones within the mineralized belt seem to control to a large extent the location of the ore shoots or ore concentrations.

Silver is the chief ore mineral of the vein except where the vein either cuts through or is in contact with white rhyolite dikes. The ore values in the vicinity of these white rhyolite dikes are chiefly gold. The main ore shoots so far opened up, however, are the silver-bearing ore bodies.

During the past year no development work has been done to explore in depth the so-called Gold Veins which were formerly worked with success near the summit of the mountain within the white rhyolite. Work to develop these veins through the shaft workings at greater depth is planned for the coming year.

The SHAFT has been sunk an additional 584 feet during the period under consideration and has now attained a depth of 1229 feet. The work of sinking the shaft to water level is progressing as rapidly as the work of extracting ore and the operation of the other parts of the mine will permit.

Commodious stations have been cut out at the 1100 and 1200-foot points in the shaft and short crosscuts run in the direction of the vein, but no attempt was made to intersect the vein upon the 1100 and 1200-foot levels, as it was deemed more advisable to continue the shaft to the water level before exploring the vein at the 1100 and 1200-foot elevations.

The work done in the vicinity of the 1100 and 1200-foot stations show the shaft still in typical Divide Rhyolite Breccia. This Rhyolite Breccia which appears to be slightly more siliceous than upon the levels immediately above, is cut by several fractures running in a N. 55 degrees to 60 degrees E. direction at an angle to the vein. The sides of these fractures are coated with heavy iron oxide stainings and the openings contain small streaks of gouge which carry appreciable but low values in silver and gold.

Whether the greater silicification and livelier appearance to the wall rocks, the iron staining and other evidences of oxidation and alteration which are more marked than on the levels above, have any significance as regards the ore occurrence at these 1100 and 1200-foot elevations, is not known.

ORE RESERVES

From January 1, 1920, to December 31, 1921, some 22,752 tons of ore having a value of \$26.48 per ton were mined and shipped in addition to 6,346 tons of second class ore of average value \$11.54 which were mined and added to the stock pile of mill ore at the mine.

No engineer's estimate has been made for the new ore that has been opened up as a result of the development work that has been done since Mr. E. A. Julian made his report, but it is certain that considerably more ore of shipping and milling grades has been developed by this work than the tonnages mentioned above as having been extracted in the course of the mining operations since Mr. Julian's report of 62,000 tons of ore averaging 20 oz. silver and .08 oz. gold, was made.

Much more ore came from the vicinity of the 101 stope above the 165 level than was originally estimated. The drift on the 165 level was extended some 400 feet to the southeast and all of the ore mined to date and still showing this southeast drift is now ore that has been developed and that was not included in former estimates. Ore also shows on the 165 level in the neighborhood of crosscuts 111 and 113 and two raises have recently been started to develop ore in that part of the mine. These two raises are only up a short distance but are still being advanced in pay ore.

Upon the 165 level good grade ore has been found to extend the full length of the 63-foot south drift. The relation of this ore occurrence to the ore shoots upon the 265 level or the other ore occurrences upon the 165 level has not as yet been determined.

Upon the 265 level the shipping grade of ore has been found to extend farther east from stope 201 than formerly expected and a large tonnage of additional ore is expected to be won from this portion of the vein.

Another very important new development has resulted from raising along the hanging-wall of the vein zone from "North crosscut 209." At some 20 feet above the level the \$20.00 ore which had been followed upward abruptly increased to \$130 to \$140 per ton grade over a width of 8 to 10 feet. The raise put up on this ore streak continued all the way to the 165 level upon very good grade ore. A stope is just being started upon this ore, but evidence seems to indicate that the ore lies to the north of the 201 drift on the 265 level and that it will extend probably 55 feet to the west and also to the east to connect with the present 211 stope. A large tonnage of exceptionally high grade ore will undoubtedly result from mining this new ore block.

Further development work of 311 raise, and from 315 crosscut on the 370 level with a raise, has proven that good grade ore extends considerably farther to the east of stope 311 than estimated. This means an additional large tonnage of ore.

Stope 303 is also extending farther to the westward than expected and a fair tonnage of ore is expected from the area between the 370-foot level and 265 level beneath stope 201. More ore than previously estimated has also been developed in the vicinity of stopes 403 and 412.

A large tonnage of good grade mill ore has also been developed by the several south drifts which have been run to the east upon the 585, 480, 370 and 265 levels upon the south fork of the main vein which was found to split going southeast. While no raises have as yet been driven between the various levels upon this branch vein just mentioned, it is more than likely the ore values will be fairly continuous between these various levels upon this newly developed branch vein.

In the running of the southeast drift, on the 800-foot level, some erratic but good values were encountered in mixed sulphide and oxide ore between points about 70 feet east of the main crosscut from the shaft. No raises have as yet been put up to determine the extent of the mineralization in this vicinity, above the 800-foot level. Recently very good values in gold were encountered on the 800-foot level where the vein for some 25 feet ran along the contact of the Divide Breccia and a white rhyolite dike in an east drift which was being driven for an air connection with the 700-foot level of the Gold Zone mine.

It is planned to develop this showing of gold ore thoroughly and to raise up on it from the 800-foot level as this is the only place in the Divide mine workings where this rhyolite dike has been encountered.

The work done to date upon the 1000-foot level has developed only a portion of the vein zone. In the area developed some good values were encountered, but the values were erratically distributed and no ore shoots of importance were exposed in the portion of the vein explored.

CONTEMPLATED DEVELOPMENT WORK

Prospecting work during the past year in the vicinity of the present stopes and ore blocks between the 165-foot and 585-foot levels resulted in the proving up of considerable tonnages of ore outside of the ore blocks figured in the estimates in Mr. E. A. Julian's report. This prospecting work was so successful that it will be continued during the coming year, and the smaller showings of good ore along the drifts on the different levels will also be prospected by raises in the hope these small bodies of good ore when followed may lead to larger bodies of good ore between the levels.

It is planned to extend the 1000-foot level southward for several hundred feet to determine if the ore showing upon the 800 and higher levels extends to this 1000-foot level, and also to develop the ore zone on both the 1000 and 800-foot levels by additional crosscuts at right angles to the strike of the vein for the full width of the broad vein belt.

There is no definite information available which will permit of a prediction as to where the water level will be encountered, however, it is hoped it will be reached within the next two hundred feet.

It is the intention to continue the sinking of the shaft to the water level and then to crosscut to the vein at a point just above this level and develop the vein zone thoroughly at this horizon to determine if workable ore bodies occur in the vicinity of the water level. After the above work has been completed the development of the vein zone upon the 1100 and 1200-foot levels will also be resumed.

At the present time the higher grade ore mined is shipped by auto truck to one of the mills in Tonopah. As the cost of transporting the ore by auto trucks is almost prohibitive, it is hoped and expected that a sufficient supply of water will be developed with depth to simplify the milling problem, and to justify the erection of a mill for the treatment of the ore at the mine so as to make feasible the mining and milling of the large tonnages of \$8.00 to \$15.00 ore which are now developed in the mine but which will not stand the shipping costs.

With a mill upon the company's own claims, the second class ore which has been mined and accumulated in a

stock pile on surface near the shaft and which at present consists of 22,346 tons of ore averaging \$3.73 per ton, could also be treated to advantage.

Respectfully submitted,

WM. WATTERS, Superintendent.

REPORT OF THE SECRETARY AND TREASURER

TONOPAH, NEVADA, DECEMBER 31, 1921.

TO THE PRESIDENT AND BOARD OF DIRECTORS, TONOPAH DIVIDE MINING COMPANY.

Gentlemen:—I beg to submit the following report showing the assets, liabilities, and profit and loss statements for the years 1920 and 1921.

During the month of January, 1920,—2000 shares of stock were sold, netting the company \$6,731.60, since which time no stock has been sold.

PROFIT AND LOSS STATEMENT FOR 1920

EARNINGS:	
9939 Tons Ore Treated	\$266,254.18
Metallurgical Loss	27,168.00

Net Recovery	\$239,086.18
Miscellaneous Earnings:	
Rentals	3,921.66
Transfer Fees	791.65
Discount	88.18
Unclaimed Wages	6.25

TOTAL EARNINGS \$243,893.92

EXPENSES:	
Mining, including Development	\$111,526.43
Ore Transportation and Treatment	\$6,354.54
General Expenses:	
General and Administrative	13,459.24
Corporation	1,314.95
Office	2,556.16
Legal	795.75
Liability Insurance	2,020.72
Expired Insurance	614.90
Auto and Truck	2,535.93
Capital Stock Tax	1,253.00
Property Tax	556.68
Bulldozer Tax	339.22
Interest	4,793.40
Boarding House	192.50
Road Construction	228,318.65

Balance \$ 15,575.27

Less Depreciation 4,677.81

NET PROFIT \$ 10,897.46

BALANCE SHEET, DECEMBER 31, 1920

ASSETS

Mines and Mining Claims, as Fixed by Treasury Dept. as of January 1, 1919	\$867,712.00
Depletion of Ore in Mine for Year 1919	35,066.42
	\$832,645.58

Deduct Depletion of Ore for 1920 33,913.11 \$798,732.47

Mine Buildings, Equipment, etc., at end of 1919 24,675.37

Additions 1920 12,901.62 37,576.99

Deduct Depreciation 3,942.25 33,634.74

Office Building and Equipment at end of 1919 15,669.69

Additions 1920 213.10 15,882.79

Deduct Depreciation 735.56 15,147.23

Real Estate 780.35

Stock Discounts 129,799.20

Stocks and Bonds 2,000.00

Storehouse Supplies 9,961.19

Stock in Tonopah Divide Mercantile Co. 1,650.00

Prepaid Fire Insurance 307.30

Accounts Receivable 916.66

Prepaid Capital Stock Tax 657.00

Prepaid Liability Insurance 200.00

Notes Deposits 25.00

Cash in Bank 27,383.41

\$1,021,194.55

LIABILITIES

Authorized Capital Stock 1,250,000 shares at \$1.00 par value \$1,250,000.00

Less Unissued 235,200 shares 235,200.00

Issued and Outstanding \$1,014,800.00

Taxes, Accrued 278.33

Accounts Payable 73.93

Surplus at end of 1919 after charge made for Depletion of Ore \$29,057.94

Add Net Profit for 1920 10,897.46 \$ 39,955.40

Deduct Charge for Depletion of Ore in Mine for 1920 33,913.11 6,042.29

\$1,021,194.55

PROFIT AND LOSS STATEMENT FOR 1921

EARNINGS:	
12,763 Tons Ore Treated	\$336,275.20
Metallurgical Loss	34,411.91

Net Recovery \$301,863.29

Miscellaneous Earnings:

Rentals 2,800.00

Transfer Fees 176.57

Discounts 20.71

Water Account 34.08

Unclaimed Wages 5.0

TOTAL EARNINGS \$304,895.25

EXPENSES:

Mining, including Development \$73,916.40

Ore Transportation and Treatment 98,469.38

General Expenses:

General and Administrative 10,381.60

Corporation 645.70

Office 2,295.80

Ore Supervision 800.00

Legal 1,535.00

Liability Insurance 1,002.34

Expired Insurance 577.55

Auto and Truck 2,475.11

Capital Stock Tax 1,210.00

Property Tax 661.30

Bulldozer Tax 2,937.01

Boarding House 1,269.00 \$198,176.19

Balance 106,719.06

Less Depreciation 5,159.93

NET PROFIT \$101,559.08

BALANCE SHEET, DECEMBER 31, 1921

ASSETS

Mines and Mining Claims at end of 1920 \$798,732.47

Deduct Depletion of Ore in Mine for 1921 47,930.34 \$ 750,802.13

Mine Building, Equip't, etc., at end of 1920 \$33,634.74

Additions 1921 9,611.81 43,246.55

Deduct Depreciation 4,463.06 38,783.49

Office Building and Equip't at end of 1920 15,147.23

Additions 1921 8.00 15,155.23

Deduct Depreciation 696.92 14,458.31

Real Estate 780.35

Stock Discounts 129,799.20

Stocks and Bonds 2,000.00

Storehouse Supplies 6,504.20

Stock in Tonopah Divide Mercantile Co. 1,650.00

Prepaid Fire Insurance 307.30

Accounts Receivable 1,661.14

Prepaid Capital Stock Tax 552.00

Prepaid Liability Insurance 200.00

Notes Deposits 25.00

Cash in Bank 126,944.91

\$1,074,471.03

Respectfully submitted,

E. J. ERICKSON, Secretary-Treasurer.